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Programming arrangements

Report on programming arrangements for the period 2004-2007*

Summary

In its decision 2002/10, the Executive Board endorsed the proposal to move from a three-year programme financial framework to a four-year programme framework for the period commencing in 2004. In that same decision, the Board also requested that the Administrator submit additional information at its second regular session 2002 to enable the Board to make final decisions on the programming arrangements for the following framework period, as follows:

(a) A report with further clarifications on the questions raised by the members of the Executive Board at the annual 2002 session regarding some of the proposals for possible improvements in the present programming arrangements as detailed in document DP/2002/17; and

(b) Specific proposals for possible recalculations of the target for resource assignment from the core (TRAC) line 1.1.1 earmarkings in the course of the four-year framework period, including an arrangement to recalculate such earmarkings for countries that have seen a significant change in their gross national income (GNI) per capita, as well as the benchmarks to define such a change as significant.

The current paper has been prepared in response to decision 2002/10 and should facilitate timely decisions by the Executive Board on improved programming arrangements prior to the start of the next programming period.

* The collection and analysis of current data required to present the Executive Board with the most up-to-date information has delayed submission of the present document.



Introduction

1. The new UNDP programming period will begin 1 January 2004, a little more than 15 months away. To ensure a smooth transition to the new programming period, it is crucial that the details of the programming arrangements for the new period are agreed upon as soon as possible. This will allow the Administrator to communicate to all parties concerned any agreed changes in the arrangements and in specific earmarkings and/or allocations. Experience has shown that without such lead time, the quality and timely delivery of UNDP assistance are likely to be negatively affected.
2. As part of the preparatory process for decisions by the Executive Board on the allocation of regular programme resources for the programming period 2004-2007 at the annual session 2002 of the Executive Board, UNDP presented document DP/2002/17, which outlined a number of recommended options for change in the current programming arrangements. These options were identified as a result of earlier informal consultations during which a working paper (DP/2002/WP.1) and several technical notes were reviewed.
3. The recommended changes are not meant to alter or dilute in any way the overall principles and features of the existing regular programming arrangements as earlier endorsed by the Executive Board. Rather, they are designed to reinforce these principles by addressing a limited number of issues that have been identified as impeding their practical application. These issues can be roughly divided into two categories:
 - (a) Issues caused by the current relative low-level of core programme resources. The proposal to establish minimum allocations for line 1.1.1 of the target for resource assignment from the core (TRAC 1) and the proposed introduction of fixed allocations for certain programme lines/components both fall into this category;
 - (b) Issues of a more technical nature and related to certain inconsistencies in the current methodology, which will cause unintended effects if they are not resolved before the transition to the next programming period. The proposed move to a "one-pool" model falls into this category.
4. At its annual session 2002, the Executive Board recognized the need for an early decision on the programming arrangements. Accordingly, in reviewing the various options for improving current programming arrangements, the Board requested more information and clarifications on a number of specific proposals contained in document DP/2002/17 in order to facilitate final decisions prior to the end of 2002. The Administrator was also requested to submit additional proposals for possible recalculations of TRAC 1 earmarkings in the course of the four-year framework period.
5. The current paper provides the requested information, which is presented in three separate sections, as follows:
 - (a) Additional information related to recommended changes in the TRAC 1 distribution model;
 - (b) Proposed arrangements for recalculating TRAC 1 earmarkings to reflect changes in gross national income (GNI) and population data during the four-year programming period;
 - (c) Additional information related to the proposed changes in the programming arrangements for specific programme lines/components other than the three TRAC lines (TRAC 1.1.1, TRAC 1.1.2 and TRAC 1.1.3), including a modified financial framework format.

Possible changes in the TRAC 1 distribution model

6. As mentioned in the introduction, two of the three identified issues can be partly addressed by some changes in the current TRAC 1 distribution methodology, as briefly explained below:
 - (a) Following the calculation of TRAC 1 earmarkings on the basis of the agreed regular (core) resource target for the period, the actual assignment of TRAC 1 resources has to be based on the actual regular income received. In accordance with decision 95/23, therefore, TRAC 1 earmarkings are reduced proportionally across the board if actual

regular resources available for programming fall short against the target. At current relatively low levels of regular resources, the necessary reductions result in TRAC 1 allocations for many countries that are less than the critical mass of working capital needed to meet the basic needs for technical assistance and to leverage additional other (non-core) resources for the same purposes;

(b) The establishment of fixed predetermined shares for low-income countries and middle-income countries (decision 95/23) runs counter to one of the fundamental principles underlying the formula earlier approved by the Executive Board for calculating TRAC 1 earmarkings, i.e., that, all other things being equal, a country with a GNI per capita below \$1 464 should receive a higher TRAC 1 allocation if and when its GNI per capita decreases. (In earlier decisions, the Executive Board (or Governing Council) established a constant GNI per capita weight for countries with a GNI per capita between \$1 464 and \$4 700. Countries with a GNI per capita greater than \$4 700 are treated as net contributor countries (NCCs)). In other words, by establishing de facto two separate pools of resources for respectively middle-income countries and low-income countries, the current methodology introduces distortions in the distribution of TRAC 1 resources. Such distortions are especially significant for countries with a GNI per capita just below or above the low-income category threshold of \$900. Initial calculations of TRAC 1 earmarkings under the current methodology show that several countries with a 2001 GNI of just *above* \$900 will receive a significant higher TRAC 1 earmarking than similar countries with a 2001 GNI just *below* \$900.

7. To address the above issues, the Administrator proposed in document DP/2002/17 the following two changes in the current TRAC 1 distribution methodology:

(a) A minimum TRAC 1 allocation of \$350 000 for all 117 non-NCC countries with a country office. Such minimum would then be introduced within the TRAC 1 distribution methodology as an absolute floor. Separate minimum TRAC 1 allocations would also be established for the eight multi-country offices with the minimum established at commensurate levels, depending on the countries covered by the country office and their TRAC 1 earmarkings;

(b) The distribution of available TRAC 1 resources in accordance with the current distribution formula under a one-pool model, i.e., without any predetermined share for low-income or middle-income countries.

8. The following paragraphs provide additional information on the impact of the proposed changes on the distribution of TRAC 1 resources among different categories of countries (least developed, middle-income and low-income) and regions. They also provide additional clarifications on specific details. Table 1 of paragraph 21 gives details on the impact of each of the proposed changes (both in isolation and in combination with each other) on the distribution of TRAC 1 resources among different categories of countries and by region.

Absolute minimum TRAC 1 allocation

9. Each country office requires at least a minimum amount of working capital to assist Governments effectively in their development efforts in the UNDP areas of focus. Without such a minimum critical mass of assured programmable resources, it is difficult for resident representatives to provide high-priority advisory services at the right time or to support new initiatives for policy formulation and capacity-building efforts by the Government. If regular resources available to a country office fall below a certain level, it also seriously limits the possibilities for UNDP to assist the concerned Governments in leveraging additional other (non-core) resources in support of the Millennium development goals (MDGs). The recent erosion of the regular resource base of UNDP in United States dollar terms has had an especially negative impact on the available regular programme resources of some small low-income countries and many middle-income countries. About 70 middle-income countries share only 12 per cent of the total available TRAC 1 resources. In consequence, their calculated TRAC 1 earmarkings are very low at current funding levels. The effects of diminishing TRAC 1 allocations for smaller low-income countries and the majority of middle-income countries is unfortunate as it is particularly in those countries that TRAC 1 resources can often be used most effectively to leverage significant additional regular resources.

10. Although the situation varies from country to country, indications are that an annual TRAC 1 allocation of \$350 000 constitutes a minimal critical mass of assured regular resources that will allow UNDP to make a difference.

It also constitutes a minimum amount of funds to ensure proper use of the basic capacity of country offices and to enable them to mobilize additional resources. For the 2001-2003 programming period, about 45 country offices receive actual annual TRAC 1 allocations of less than this amount.

11. The Administrator, therefore, proposes to set the minimum TRAC 1 allocation at \$350 000, which would also be in line with the \$600 000 absolute minimum programming allocation established for all country offices of the United Nations Children's Fund (UNICEF). The average TRAC line 1.1.2 (TRAC 2) allocation (66.7 per cent of TRAC 1 allocation) would bring the minimum total of TRAC 1 and 2 allocations at about the level of the UNICEF minimum. This in its turn would facilitate further United Nations system harmonization efforts and ongoing discussions on a pilot programme aimed to consolidate small UNDP and UNICEF country offices to facilitate joint operations.

12. As outlined in document DP/2002/17, the Administrator also proposes that, similar to the UNICEF approach, separate minimum TRAC 1 allocations would be established for the eight multi-country offices, which currently cover 43 programme countries.^{1/} The Administrator also proposed that the agreed minimum TRAC 1 earmarking would be reduced proportionately if the total regular resources available for programming fell below \$450 million (implying total regular resources of \$700 million as the currently approved biennial support budget amounts to \$250 million per year).

13. The minimum TRAC 1 allocation would be introduced by applying the current formula but with the minimum serving as an absolute floor within the model (scenario 4 of table 1). The absolute TRAC 1 floor (equal to the agreed minimum) would be applied to all countries with a country office when running the model. Under the current two-pool model and a \$1.1 billion scenario, about 17 country offices would benefit. Subsequently, when making annual TRAC 1 allocations on the basis of actual available TRAC 1 resources, the TRAC 1 earmarkings will be cut (or increased) proportionally across the board, similar to the current arrangements. No country office, however, would see its annual TRAC 1 earmarking cut below \$350 000 unless regular resources fall below \$700 million. In that case, the absolute minimum allocations would also be reduced proportionally. Under lower resource scenarios, more country offices would thus benefit (up to 32 under a \$700 million scenario).

14. Under the current two-pool methodology, the introduction of a minimum TRAC 1 allocation would basically entail a more even distribution of the 12 per cent of TRAC 1 resources among middle-income countries, because the higher absolute floor would override the progressivity built into the distribution formula. In consequence, the middle-income countries with the lowest GNI per capita will to a large extent finance the higher floor supplements needed to introduce the minimum. Only few smaller low-income countries would be affected, as the calculated TRAC 1 earmarkings for the majority of low-income countries would normally be well above the minimum. This undesirable effect would be avoided, however, if the minimum were introduced in combination with the other proposed change of moving to a true one-pool TRAC 1 distribution model, as elaborated in paragraphs 16 through 22 below.

^{1/} The concerned country offices and proposed minimum are as follows: Barbados (NCC), covering ten countries, including five NCCs, proposed a minimum of \$167 000; El Salvador, covering two countries, proposed a minimum of \$369 000; Fiji, covering ten countries, proposed a minimum of \$712 000; Jamaica, covering five countries, including four NCCs, proposed a minimum of \$350 000; Samoa, covering four countries, proposed a minimum of \$404 000; Slovenia, covering six countries, including four NCCs, proposed a minimum of \$429 000; Trinidad and Tobago (NCC), covering four countries, including two NCCs, proposed a minimum of \$117 000; Mauritius, covering two countries, including one NCC, proposed a minimum of \$350 000.

15. An alternative approach would be to consider the amount required for the minimum allocations as a first claim on the total amount of TRAC 1 resources and to apply the present distribution formula to the remaining TRAC 1 funds, with the individual country floors adjusted for the minimum already secured. This would be similar to the UNICEF minimum allocation arrangement. The Administrator, however, does not recommend this option. Assuming a minimum of \$350 000, it would mean that an amount of approximately \$43 million of TRAC 1 resources would not be subject to the normal TRAC 1 distribution formula or the predetermined 88/12 shares for respectively low-income and middle-income regions. The concerned amount would be distributed among categories of countries and regions on the basis of country office presence. This would mean that slightly more than 50 per cent of the \$43 million would go to the lower-income country category. Accordingly, at current resource levels this approach would result in a reduced share of total TRAC 1 resources for low-income countries from 88 per cent to about 81 per cent (scenario 3 of table 1)

One-pool TRAC 1 distribution model

16. The introduction of a one-pool model for the distribution of available TRAC 1 resources, i.e., without any predetermined fixed share for low-income or middle-income countries, would solve the distortion problems inherent in the current two-pool model as detailed in paragraph 6 (b). It would ensure that any country for which the GNI per capita moves below the low-income threshold of \$900 would see its calculated basic TRAC 1 earmarking increase or vice versa.

17. Under the proposed arrangement, the move to a one-pool TRAC 1 distribution model would be accompanied by a move to a range of percentages for the acceptable share of TRAC 1 resources allocated to the low-income countries of 85 to 91 per cent. The Administrator would only revert back to the Executive Board if the distribution formula were to result in a share of TRAC 1 resources allocated to the low-income category falling outside this range. Additional adjustment in the main parameters of the existing distribution formula could then be considered by the Executive Board, including changes in the low-income and NCC thresholds and/or changes in the GNI per capita breakpoints at which the GNI per capita weights shift progressively.

18. If the current distribution formula is applied to a one-pool model, the use of 2001 GNI per capita and population data would result in a 91.7 per cent share of TRAC 1 resources for low-income countries (scenario 5 of table 1). This would obviously cause problems for many of the 70 middle-income countries. As a group, they would see a 50 per cent reduction in their TRAC 1 earmarkings. Reducing the share of TRAC 1 resources for middle-income countries from 12 per cent to less than 8 per cent would also run counter to the arguments made in paragraphs 9 through 11 above for keeping regular resources for the middle-income group at a viable minimum level, both for individual country offices and for the group as a whole.

19. One way to correct this undesirable effect of a move to a one-pool model would be to shift the breakpoint at which the GNI per capita weight remains constant from \$1 464 (as under the current model) to \$2 975 which is the World Bank threshold for lower middle-income countries (scenario 6 of table 1). As shown in table 1, this would result in a one-pool model that maintains the current shares of low- and middle-income countries of 88 and 12 per cent, respectively. At the same time, it would introduce greater progressivity within the middle-income group for countries with a GNI per capita between \$1 464 and \$2 975. It would, however, not provide the desired critical mass of regular resources for all UNDP country offices.

20. A more desirable alternative to changing the \$1 464 breakpoint in the current formula is to combine the introduction of the move to a one-pool model with the introduction of the proposed \$350 000 TRAC 1 earmarking built into the distribution model as an absolute floor for TRAC 1 earmarkings for all countries with a country office (scenario 7 of table 1). The combined introduction of both changes has four advantages:

(a) At current (\$700 million) or lower levels of regular resources, it would result in similar shares for middle- and low-income countries as in the case under the current methodology (88 and 12 per cent, respectively);

(b) It would not only provide the middle-level income group as a whole with a viable level of regular resources but would also ensure that each country office has a critical mass of regular resource funds to operate effectively;

(c) It would ensure an increasing share in TRAC 1 resources for the low-income countries and least developed countries (LDCs) if the level of regular resources would increase (up to 90.8 per cent and 61.5 per cent, respectively, under a \$1.1 billion resource scenario);

(d) By combining the one-pool model with the proposed \$350 000 TRAC 1 minimum, there is no specific group of countries that will finance the higher TRAC 1 earmarkings of countries that will benefit from the minimum at lower resource scenarios. All countries make a very modest contribution. At high resource scenarios, the effect of the minimum on the distribution is insignificant.

21. Table 1 shows the distribution of TRAC 1 resources by category of countries and by region under the different variations in the distribution methodology discussed in paragraphs 7 through 19. Table 1 clearly illustrates that the combination of the one-pool model with the introduction of a TRAC 1 minimum of \$350 000 (shown in column 7a and 7b for different resource scenarios) has some distinct advantages. It will ensure that, at current regular resource levels, the share of the lower-income group will stay in line with earlier Executive Board decisions. At higher resource levels, however, the individual shares for the lower-income group, the LDCs and the Africa region would increase. At the same time, it would ensure that all country offices have at least a critical mass of regular funds to make use of their programming capacities and to enable UNDP to play an optimal role in all countries. This is especially important for the middle-income countries where UNDP resources are often crucial for assisting the Governments concerned in pursuing new initiatives in key areas that will attract additional resources from other parties.

Table 1

Impact of alternative TRAC 1 distribution methodologies discussed in paragraphs 7 through 20
Based on 2001 GNI per capita and population data

	(1) Current distribution based on 1997 GNI/ population data (2001-2003)	(2) Current methodology based on 2001 GNI/ population data (2004-2007)	(3) Current methodology (two-pool) with minimum TRAC 1 allocations outside the model at \$700 million	(4) Current methodology (two-pool) with minimum TRAC 1 allocations inside the model at \$700 million	(5) Current methodology applied to one-pool model	(6) Current methodology applied to one-pool model and change in breakpoint	(7) (Recommended option)	
							(a) Combined scenarios 4 and 5 at \$700 million	(b) Combined scenarios 4 and 5 at \$1.1 billion
By category								
Low-income	88%	88%	81%	88%	91.7%	88.1%	88.1%	90.8%
Middle-income	12%	12%	19%	12%	8.3%	11.9%	11.9%	9.2%
LDC	60%	60%	55%	60%	61.6%	60.1%	60.0%	61.5%
By region								
Africa	48%	47.4%	43.9%	48.2%	49.4%	47.6%	48.2%	49.2%
Asia	31%	30.2%	28.6%	29.8%	30.5%	30.1%	29.8%	30.3%
Arab States	8%	8.5%	9.2%	7.7%	7.4%	8.1%	7.7%	7.6%
Latin America	5%	4.9%	7.2%	5.3%	4.2%	5.2%	5.3%	4.4%
Europe	8%	9.0%	11.1%	9.0%	8.5%	9.0%	9.0%	8.5%

22. In reviewing the different options reflected in table 1, the following additional clarifications may be helpful:

(a) *Column 2 – current two-pool methodology.* If the Executive Board were to decide not to change the current methodology, 2001 GNI per capita population data would result in a slightly lower share for the Africa region than its share for the current programming period, 2001-2003. About 20 countries would be significantly affected by the distortions caused by the two-pool system as explained in paragraph 6 (distortions of more than 5 per cent in their TRAC 1 share). About 17 regular country offices would have to manage an annual TRAC 1 earmarking below \$350 000 under a \$1.1 billion scenario. This number would increase to about 32 country offices under the current \$700 million scenario, which would allow annual TRAC 1 allocations of about 50 per cent of TRAC 1 earmarkings calculated at \$1.1 billion.

(b) *Column 3 – current two-pool methodology with a minimum TRAC 1 allocation outside the model.* For reasons explained in paragraph 15, the shares of TRAC 1 resources going to lower-income countries, LDCs and the Africa region would remain below the respective shares shown in Column 2, even under a \$1.1 billion resource scenario.

(c) *Column 4 – current two-pool methodology with a minimum TRAC 1 allocation calculated within the model (absolute floor).* The shares of TRAC 1 resources going to lower-income countries, LDCs and the Africa region would remain unchanged under higher resource scenarios. Higher resource scenarios would basically restore the progressivity for the middle-income group while at the same time reinforcing the distortions inherent in the current two-pool model.

(d) *Column 5 – current methodology applied to a one-pool model.* The shares shown will not change at higher or lower resource scenarios as individual TRAC 1 earmarkings will be reduced proportionally.

(e) *Column 6 – current methodology applied to a one-pool model and a change in breakpoint for keeping the GNP per capita weight constant from \$1 464 to \$2 975.* Similar to column 5, the shares will not change at different resource scenarios.

(f) *Columns 7(a) and 7(b) – one-pool model with \$350 000 minimum TRAC.* If regular resources available for programming were to fall below \$450 million (or alternatively if regular resources were to fall below \$700 million), the TRAC 1 shares for different categories of countries and regions would remain as shown in column 7(a). In that case, all earmarkings, including the minimum TRAC 1 allocations, would be reduced proportionately with the shortfall.

Proposed arrangements for recalculating TRAC 1 earmarkings to reflect changes in GNI and population data during the four-year programming period

23. In its decision 2002/10, the Executive Board requested that the Administrator provide proposals for possible recalculations of the TRAC 1 earmarkings in the course of the four-year framework period and to propose in this context also an arrangement to recalculate such earmarkings for countries that have seen a significant change in their GNI per capita, as well as benchmarks to define such a change as significant.

24. With regard to possible arrangements for interim recalculations of all TRAC 1 earmarkings during the four-year programming period, the Administrator has identified two possible options: (a) an annual recalculation based on the latest available *World Bank Atlas* data in GNI per capita and population; and (b) a mid-term recalculation before the end of the third year of the four-year period, based on *World Bank Atlas* data on GNI and population for the previous year. The first option would also automatically address the issue of a timely recalculation of TRAC 1 earmarkings for countries for which the GNI has changed significantly. More frequent recalculations would not be possible as the *World Bank Atlas* data are published on an annual basis.

25. Each of these two options has somewhat different potential ramifications for the predictability of TRAC resources available for individual countries. At present, the predictability is only affected by the uncertainties with respect to the annual regular income in United States dollar terms because the TRAC 1 earmarkings remain unchanged during the programming period. The actual allocations of TRAC resources are, therefore, only subject to proportional across the board reductions or increases if available resources fall short of or exceed the agreed target. Revision of the individual

TRAC 1 earmarkings during the programming period would add another element of uncertainty regarding the level of actual TRAC resources available to individual countries.

26. The Administrator wishes to stress, in this connection, that the predictability of TRAC resources contributes to the quality of UNDP programmes given the nature of UNDP assistance, which is provided within the context of multi-year country programmes, with multi-year project commitments. A high degree of predictability of available resources for the programming period as a whole is also important because UNDP is increasingly concentrating its assistance in a number of complex areas where the formulation of projects and/or programmes requires a relatively long lead time and involves often multiple funding and implementation partners.

27. Predictability of UNDP programme resources for individual countries has also been recognized by the Executive Board as an important element for effective technical cooperation. It is reflected in the "floor principle", which is an integral part of the TRAC distribution methodology. The floor principle not only acknowledges that the development of a country takes place in a continuum, which makes it desirable to avoid abrupt reductions in the level of UNDP cooperation from one programming period to the next, but is also meant to prevent abrupt major changes in the TRAC earmarkings of a country as a result of (sometimes temporary) shifts in its GNI per capita data.

28. The Administrator, therefore, recommends the option of a mid-term recalculation of TRAC 1 earmarkings before the end of the third year of the financial framework period. A mid-term recalculation would strike a balance between the need for maximum predictability of TRAC resources for a given programming period and the need to ensure that the distribution of TRAC 1 resources reflects relatively recent socio-economic developments in all programme countries. A mid-term recalculation, instead of annual recalculation, would also limit the additional workload for UNDP as the World Bank does not publish GNI per capita and population data for all UNDP programme countries. Each recalculation will thus require special efforts to obtain assistance from the United Nations Statistical Office in order to arrive at updated estimates for about 10 to 15 countries.

29. If the Executive Board, however, were to decide on the desirability of an annual recalculation of the TRAC 1 earmarkings, the Administrator would strongly recommend that the Board also confirm that the current floor arrangements continue to apply for the whole duration of the four-year period, i.e., countries would be guaranteed that during the four-year period their TRAC 1 earmarkings would never fall below a certain percentage of their TRAC 1 earmarkings for the previous programming period (90 per cent for countries with a GNI per capita below \$750; 80 per cent for countries with a GNI per capita between \$751 and \$1 500; 70 per cent for countries with a GNI per capita between \$1 501 and \$4 700; and 60 per cent for new net contributor countries with a GNI per capita beyond \$4 700 during the initial grace period). An annual recalculation in which the above floor percentages were applied each time TRAC 1 earmarkings are recalculated would seriously affect the predictability and thus effective programming of TRAC resources at the country level. For instance, an annual recalculation of TRAC 1 earmarkings for countries with a GNI per capita between \$1 501 and \$4 700 could in theory result in a 76 per cent reduction over a four-year period if the current floor percentage were applied on an annual basis.

30. Unlike the alternative of annual recalculation of all TRAC 1 earmarkings, the recommended arrangement for a mid-term review of all TRAC 1 earmarkings before the end of the third year of the financial framework period would only partially address the issue of more rapid and timely adjustments in the level of TRAC resources available to countries that experience a sudden and significant change in their GNI per capita as a result of special circumstances. So far, such cases have been relatively rare, partly because the *World Bank Atlas* data on GNI per capita take into account a three-year weighted average of inflationary factors and exchange rates.

31. If the Executive Board accepts the recommended option of a mid-term review of all TRAC 1 earmarkings, the Administrator proposes, therefore, a special arrangement to recalculate *in any year* the TRAC 1 earmarkings for countries that experience at least a 25 per cent drop or increase in their World Bank GNI per capita figure from the figure on which their TRAC 1 earmarkings are based, combined with a drop below, or an increase above, one of the key thresholds, i.e., the \$900 GNI per capita threshold for low-income countries and the \$4 700 GNI per capita threshold for net contributor countries. The concerned adjustments would be financed from the programme reserve, similar to the earlier approved

financing arrangement for adjustments in TRAC earmarkings as a result of subsequent World Bank revisions in the GNI per capita figure for the base year.

Proposed changes in the programming arrangements for specific programme lines/components

32. In document DP/2002/17, the Administrator proposed a number of changes in the programming arrangements for specific programme lines other than TRAC lines 1.1.1, 1.1.2 and 1.1.3. In reviewing these proposals, the Executive Board has requested additional details with regard to the proposal to establish fixed absolute amounts for selected programme lines/components within the financial framework. Such additional information was requested because the Board needed a fuller picture of the justification for such fixed allocations for each of the concerned programme lines/components and for the amounts proposed.

33. The Executive Board also recognized that, at lower levels of regular resources, the proposed fixed allocations would translate into higher percentage shares for the concerned programme lines/components in the total of available regular programme resources, as compared to their shares under the current programme financial framework. At lower resource levels, this would thus result in decreased shares for the remaining variable lines of the financial framework. Accordingly, the Administrator was requested to submit to the Board at its second regular session 2002 an overall strategy, which would ensure that, at lower resource levels, any increase in the percentage share for the proposed fixed programme lines/components would not affect the critical funding needs for the remaining variable lines. Such a strategy should be accompanied by different options for safeguarding the percentage shares of key variable lines at lower resource scenarios, especially the three TRAC lines and the total share of regular programme resources allocated to all programme lines that are directly managed at the country level.

Rationale for each of the proposed fixed allocations

34. Each of the concerned lines/components of the financial framework represents a specific programme that is designed to provide direct support or essential inputs for key country-level operations and requires a certain minimum amount of resources to function effectively. As explained in the foregoing paragraphs and in paragraphs 30 through 32 of document DP/2002/WP.1, the overall objective of the introduction of fixed absolute amounts for selected programme lines/components of the financial framework is twofold:

(a) It will ensure that the concerned programmes are adequately funded at current resource levels (\$700 million) so that they can function effectively and produce the results expected and required;

(b) It will ensure that any future increases in the level of regular resources can be fully channeled to country-level and related activities covered by the remaining variable programme lines.

The Human Development Report Office (currently part of line 1.3)

35. The proposed fixed allocation for the *Human Development Report (HDR)*, to become effective in 2004, is \$5.3 million. The HDR was launched in 1990 with the goal of placing people at the centre of the development process in terms of the development debate, policy and advocacy. The HDR has evolved to become a significant policy document on development thinking at the global level, which has also led to the preparation of national and regional HDRs. The current level of resources for the HDR stands at \$5.3 million annually, of which about \$2.9 million is financed from the global programme. The remaining funding has come from ad hoc sources, such as other (non-core) contributions and budgetary savings where possible.

36. The activities of the HDR Office in UNDP include writing background papers, country studies, data research and preparing tables for statisticians to derive figures for the human development index, gender equality papers and for workshops with advisory groups. The HDR Office is also the secretariat for setting the common standards for national HDRs, building related HDR web sites, sponsoring human development training courses and developing HDR summaries in different languages and other related publications. (The secretariat staff contributes significantly to the substantive work in the preparation of the HDR.)

37. Given the significant contributions that the HDR makes to the overall development debate and the ongoing efforts to strengthen further the support provided in the preparation of national HDRs, it is of crucial importance that the programme is placed on a stable minimum funding base. The current situation of uncertain funding places the sustainability of the HDR at risk. Many Member States have frequently stated that the HDR should be adequately funded from regular resources and not from other (non-core) resources because regular resource funding would ensure the independence of the publication.

Office of Development Studies (currently part of line 1.3)

38. The proposed fixed allocation for the Office of Development Studies (ODS), to become effective in 2004, is \$1.1 million. ODS contributes to the global development role of UNDP by providing forward-looking policy analyses and promoting research partnerships with leading think tanks around the world on issues of sustainable human development. It is also responsible for building bridges between policy analysis and policy-making. ODS publishes a number of thought-provoking books and discussion papers and organizes round tables, meetings and lecture series. These publications are invaluable to policy-makers, academics, development specialists and others interested in exploring key development issues. A reasonable annual level of \$1.1 million is proposed under the fixed allocation, similar to the current level of \$1 million and taking into consideration a modest inflation adjustment.

39. In large measure, it is the in-house ODS staff that contributes to the substantive work related to ODS publications. A clear example is a new publication reflecting major new research results on providing global public goods, to be issued in October 2002, plus a series of other related publications, workshops and panels linked to key development issues and events, such as the International Conference on Financing for Development and the World Summit on Sustainable Development (WSSD), to be held from 26 August to 4 September 2002 in Johannesburg.

40. ODS enables UNDP to provide a clear leadership role in the international development dialogue, which is evident from policy statements, literature and the practical steps taken by a number of countries and multilateral organizations to rethink their development cooperation programmes in terms of global public goods – a result obtained through extensive outreach and policy dialogue initiatives. As such providing a minimum funding base of \$1.1 million annually from regular resources, would enable ODS to continue to carry out its valuable work.

The Economist Programme (currently financed from earlier savings under the biennial support budget)

41. The proposed fixed allocation for this programme, to become effective in 2004, is \$4.5 million. The Economist Programme was reviewed within the context of the budget estimates from the biennium 2002-2003 (DP/2001/21) when the Executive Board agreed to finance the Economist Programme, amounting to \$4 million annually, from programme resources instead of the support budget (Executive Board decision 2001/13). This shift was to capture accurately the substantive character and value of the activities carried out by the economists at the country level. The proposed \$4.5 million under the fixed allocation provides the level of resources required to maintain this important capacity at its current level, reflecting a modest inflation adjustment.

42. The Economist Programme comprises of 27 economists based at the country level, the majority in Africa. The economists are involved in providing strategic and policy analysis support to country offices, analysis of development opportunities and constraints – particularly in support of country-level policy dialogue with client Governments and other development partners, as well as the provision of policy advisory services in all the six practice areas. They also contribute significantly to the development, delivery and mainstreaming of specific policy instruments and services into national development initiatives. These services notably include national long-term perspective studies, national HDRs, socio-economic briefs, poverty-reduction strategy papers and the implementation of UNDP country-wide and thematic interventions. They are also involved in monitoring poverty reduction and progress towards the Millennium development goals (MDGs), the promotion of strategic partnership building and resource mobilization by country offices. Their leadership roles in regional and sub-regional initiatives and in knowledge management and networking also provide vital contributions to the work of UNDP at the country level.

43. The contributions of the Economist Programme to the work of UNDP at the country level are significant. A minimum funding base of \$4.5 million annually from regular resources would enable this group to continue providing their valuable contributions to UNDP country-level activities.

Development support services (line 3.1.1)

44. The proposed fixed allocation for this line, to become effective in 2004, is \$6 million. These resources provide resident representatives with flexibility in responding to emerging substantive needs of countries. The present funding of this important facility of around \$1 million annually, however, has proven inadequate. Accordingly, the Executive Board agreed earlier to the UNDP proposal to utilize \$2.5 million in budget savings annually to increase the resource level for development support services (Executive Board decision 2001/13). Nevertheless, when situations arise at the local level where UNDP can clearly play a role, resident representatives often still lack the reasonable level of resources to fund any meaningful quick-response interventions. This is in sharp contrast with other institutions, such as the World Bank, that have this capacity.

45. This facility is considered essential to assist resident representatives in addressing programme country priority needs for technical assistance and to enable them to function as responsive partners in the development process. It also enables them to make better-informed programme decisions, take new initiatives and add new dimensions to the programme.

46. Including the earlier allocation from budget savings, the average amount available per country office is currently around \$26 000. The proposed level of \$6 million will provide an average of \$45 000 per country office, a reasonable level for this support to resident representatives that would also help in leveraging other (non-core) resources to support emerging needs in countries.

Support to the resident coordinator (line 3.1.2)

47. The proposed fixed allocation for this line, to become effective in 2004, is \$13.5 million. The General Assembly recognizes that UNDP is responsible for coordinating the operational activities of the United Nations system at the country level. To this end, UNDP is responsible for being the funder and manager of the resident coordinator system. The current level of programme resources for this function has remained at around \$4.6 million annually (compared with an originally planned level of \$15.4 million under a \$1.1 billion income scenario) which has resulted in average annual country office allocations of \$35 000. This amount is far from adequate for UNDP to respond effectively to the expanded mandate of the General Assembly.

48. These resources help to fund a number of United Nations system initiatives, including follow-up to global conferences, common country assessments, joint data bases, country studies for the development of common premises and services and other initiatives to promote major United Nations cross-cutting goals, such as the advancement of women. The allocations have proven to be a cost-effective and flexible means to encourage country-level United Nations system coordination and collaboration and to implement the annual work plans of the United Nations country teams. The proposed level of \$13.5 million under the fixed allocation will provide an average of \$100 000 per country office so that country offices will have a reasonable level for programming for this crucial function.

Evaluation Office (line 1.4)

49. The proposed fixed allocation level for this line, to become effective in 2004, is \$2.5 million. The Executive Board has always articulated the need to carry out a systematic and comprehensive assessment of the results, effectiveness and impact of the substantive activities of the programme, funded by a reasonable level of resources. This need is underpinned by General Assembly resolution 56/201 (paragraphs 48-56) on the triennial comprehensive policy review of operational activities for development (E/1998/48) and the increased demand for independent validation of reported results, which subsequently warrants closer attention to the need for a stable resource base.

50. Since 1999, the annual allocation to the evaluation component has declined from the originally envisaged level of \$3.3 million to less than \$1 million, which makes the evaluation function vulnerable and difficult to sustain. It is for this reason that a fixed allocation at \$2.5 million is being proposed. This would be complemented by an allocation of \$1.5 million under the support budget for the Evaluation Office. A reasonable level of resources is required under the programme to undertake monitoring and evaluation activities expected by the Executive Board, as well as to ensure the overall substantive accountability of the Administrator. In this connection, it should be stressed that such evaluations, which will be financed from the proposed fixed allocation, are in addition to the regular project evaluations that are normally financed from project resources (TRAC or other resources).

51. Major accomplishments under this component have included the development of new procedures in monitoring and evaluation and the conduct of thematic and strategic evaluations. With results orientation being reinforced in all UNDP operations, the new procedures have required greater clarity and specificity in defining expected results, the use of lessons learned in programme and project formulation and implementation, and the mandatory participation by main stakeholders in the annual assessment of programmes and projects. Evaluations of country-specific, regional and global programmes are primarily the responsibility of the respective units. The role of the Evaluation Office in this regard is to provide methodological support, monitor compliance, analyze trends and report findings to the Executive Board regularly.

52. The evaluation function is a crucial one that needs to be adequately funded. The proposed fixed allocation of \$2.5 million under the programme, complemented by a \$1.5 million biennial support budget allocation for the Evaluation Office, will provide a reasonable funding base for this important function.

Technical cooperation among developing countries (line 1.5)

53. The proposed fixed allocation level for this line, to become effective in 2004, is \$3.5 million. The current level of programme resources has remained at \$1.7 million annually, which has been inadequate to support the mandated activities of this programme. The technical cooperation among developing countries (TCDC) facility is especially important because it is designed to finance the sharing of South-South experiences, expertise and knowledge with the specific aim to make TCDC an integral part of country, regional and interregional programmes and to introduce cost-effective modalities for South-South technical cooperation. Having a reasonable level of resources will support the TCDC modality to foster the goals of national and collective self-reliance while broadening the scope and quality of international cooperation.

54. A more secure funding of the TCDC facility at an annual level of \$3.5 million is especially important as the Special Unit for TCDC has recently taken an increasing number of initiatives for developing new approaches to employment creation, social protection, labour welfare, pension reform and social security, particularly for individuals in the informal sector. Adequate funding is essential to bring the expected results. For instance, an innovative initiative launched by the Administrator in 2001 responds to the HIV/AIDS epidemic through collaborative efforts to fight HIV/AIDS in Botswana, drawing upon the experience of Brazil in countering the epidemic via the country's education system. Similar programmes are planned subject to available funding. Other planned new initiatives will be designed to replicate some of the other recent success stories. For example, the TCDC facility provided crucial support to the second Africa-Asia Business Forum, held in Johannesburg, which brought together some 108 companies from Africa and 60 from Asia that signed 104 memoranda of understanding worth over \$75 million. TCDC assistance to the West Africa Rice Development Association (WARDA) resulted in the development of new high-yielding and high-protein rice varieties called New Rice for Africa (NERICA). The dissemination of NERICA promises to increase rice production to 744 000 tonnes in the sub-region by 2006 and to reduce imports by \$88 million per year.

55. In addition the TCDC facility will continue to support South-South meetings, such as the Fourth World Trade Organization Ministerial Conference held in November 2001 in Doha, Qatar and the Tenth Meeting of the Intergovernmental Follow-up and Coordination Committee on Economic Cooperation among Developing Countries, which led to the formulation of the Teheran Consensus – a blueprint for consolidating key agreements reached by a number of developing countries over the past three decades. It will also continue to publish its journal, *Cooperation South*, and further strengthen its online information system, WIDE, in order to provide an array of services, including information on South expertise and pioneering development practices.

Options for financing potential increases in the percentage share of the proposed fixed programme lines/components at lower resource scenarios

56. At current resource levels, the introduction of the proposed fixed absolute allocations would result in an increase in assigned resources for the seven fixed programme lines/components. Such increases would be both in absolute dollar terms (about \$18 million, taking into consideration that the Economist Programme and part of the development support services allocation are currently financed from savings under the 2002-2003 biennial support budget) and as a percentage of available programme resources (about 4 per cent, taking into consideration that HDRO and ODS are currently financed under line 1.3). Some changes in the percentage share of the remaining variable lines will consequently be required to ensure that the allocations for critical programmes financed under these lines are duly safeguarded at current (or lower) resource levels.

57. Based on the views expressed at the annual session 2002 of the Executive Board, the Administrator has identified four broad options for changes in the percentage shares for the remaining variable lines that are briefly detailed in paragraph 58 below. The corresponding financial frameworks are included in the annex of this document in tables 1 to 4. The options presented for changing the percentage shares are somewhat limited by the fact that, besides the three TRAC lines, only three other programme lines will remain variable. The Board, however, may wish to consider additional changes in the percentage share of programme resources for individual programme lines for other reasons. All four options have two things in common:

(a) They will assure that at current (\$700 million) or lower regular resource levels the available regular programme resources for each of the three TRAC lines will be at least the same as under the current programming arrangements, both in terms of absolute amounts in United States dollars and as a percentage share. The percentage share for the three TRAC lines would increase from their current shares if the level of regular resources were more than \$700 million. Similarly, the percentage share of the other three variable lines would increase, although perhaps not up to their current level. Under higher resource scenarios, however, even the non-TRAC variable lines would see higher allocations in United States dollar terms than at present; and

(b) The percentage share of total available regular programme resources going to each of the individual programme lines (both fixed and variable) would be kept constant if regular resources available for programming were to fall below the \$450 million level (implying total regular resources of \$700 million). In that case, the fixed allocations would become variable again and would be reduced proportionally with any shortfall below the \$450 million level.

58. To facilitate a comparison between the four options, all programme lines have been grouped under two broad categories as follows: (a) *Country lines* – programmes that are fully, or for the major part, directly managed at the country level within the context of the country programme processes and related consultations with the concerned Governments; and (b) *inter-country lines* – programmes that are in principle centrally managed in support of country activities, although part of the concerned resources may subsequently be assigned to and managed by country offices. The four options identified by the Administrator include:

- (a) **Option 1** (i) Increases in the percentage shares for the fixed country lines (about 2.1 per cent under a \$700 million scenario) will be financed from the remaining variable non-TRAC country line (line 2.2 United Nations Strategic advisory facility (UNSAF) formerly called support for policy and programme development and support for technical services); and (ii) increases in the percentage shares for the fixed inter-country lines (about 2.7 per cent under a \$700 million scenario) will be financed from proportional reductions in the remaining two variable inter-country lines (line 1.2 regional programmes and line 1.3 global programmes). This option is recommended by the Administrator.
- (b) **Option 2** Same as (1) above, but with one addition. The fixed allocations for HDRO and ODS will be financed through a reduction of the percentage share for line 1.3 global programme which currently finances both programmes and the remaining increase in the percentage share for the fixed inter-country lines (about 2.0 per cent) will be financed from proportional reductions in line 1.2 and line 1.3.

- (c) **Option 3** Increases in the percentage shares for *all* fixed lines are financed from a proportional reduction in the percentage shares for both remaining variable inter-country lines (line 1.2 regional programmes and line 1.3 global programmes). This option will thus increase the percentage share for the country lines. At current resource levels, this would result in significant reductions in available funding for the regional and global programmes and would thus seriously curtail their activities.
- (d) **Option 4** Increases in the percentage shares for *all* fixed lines are in the first instance financed through an abolishment of the remaining variable country line (line 2.2 UNSAF). The balance will be financed from proportional reductions in the remaining variable inter-country lines (line 1.2 regional programmes and line 1.3 global programmes). This option will thus increase the percentage share for inter-country lines and reduce the share of resources managed directly at the country level.

Annex

Table 1. Programme financial framework under option 1

Financial framework				For information only	
	(a)	(b)	(c)	(d)	(e)
UNDP programme and support to operational activities of the United Nations	Current percentage of resources available for programming at \$1.1 billion	Fixed allocations (millions \$)	Proposed percentage of resources available for programming under variable lines	Percentage of resources available for programming at \$1.1 billion	Percentage of resources available for programming at \$700 million or lower
Country					
Variable lines					
Lines 1.1.1 and 1.1.2 – TRAC	70.6%	-	76.8%	73.5%	70.6%
Line 1.1.3 – TRAC	6.6%	-	7.2%	6.9%	6.6%
Line 2.2 – UNSAF	4.0%	-	2.0%	2.0%	1.9%
Subtotal	81.2%	-	86.0%	82.4%	79.1%
Constant lines					
Line 3.1.1 – DSS	0.4%	6.0	-	0.7%	1.3%
Line 3.1.2 – Programme support to the resident coordinator	1.8%	13.5	-	1.6%	3.0%
Subtotal	2.2%	19.5	-	2.3%	4.3%
Subtotal country	83.4%	19.5	86.0%	84.7%	83.4%
Inter-country					
Variable lines					
Line 1.2 – Regional	10.0%	-	9.0%	8.6%	8.3%
Line 1.3 – Global	5.5%	-	5.0%	4.7%	4.5%
Subtotal	15.5%	-	14.0%	13.3%	12.8%
Constant lines					
Line 1.4 – Evaluation	0.4%	2.5	-	0.3%	0.6%
Line 1.5 – Special resources for TCDC	0.7%	3.5	-	0.4%	0.8%
Line 1.6 – HDRO/ODS/Economists*	0.0%	10.9	-	1.3%	2.4%
Subtotal	1.1%	16.9	-	2.0%	3.8%
Subtotal inter-country	16.6%	16.9	14.0%	15.3%	16.6%
Total UNDP programmes and support to operational activities of the United Nations	100.0%	36.4	100.0%	100.0%	100.0%

* Currently financed from line 1.3 (HDRO/ODS) and savings under the 2002-2003 biennial support budget (Economist Programme).

Table 2. Programme financial framework under option 2

Financial framework				For information only	
	(a)	(b)	(c)	(d)	(e)
UNDP programme and support to operational activities of the United Nations	Current percentage of resources available for programming at \$1.1 billion	Fixed allocations (millions \$)	Proposed percentage of resources available for programming under variable lines	Percentage of resources available for programming at \$1.1 billion	Percentage of resources available for programming at \$700 million or lower
Country					
Variable lines					
Lines 1.1.1 and 1.1.2 – TRAC	70.6%	-	76.8%	73.5%	70.6%
Line 1.1.3 – TRAC	6.6%	-	7.2%	6.9%	6.6%
Line 2.2 – UNSAF	4.0%	-	2.0%	2.0%	1.9%
<i>Subtotal</i>	81.2%	-	86.0%	82.4%	79.1%
Constant lines					
Line 3.1.1 – DSS	0.4%	6.0	-	0.7%	1.3%
Line 3.1.2 – Programme support to the resident coordinator	1.8%	13.5	-	1.6%	3.0%
<i>Subtotal</i>	2.2%	19.5	-	2.3%	4.3%
Subtotal country	83.4%	19.5	86.0%	84.7%	83.4%
Inter-country					
Variable lines					
Line 1.2 – Regional	10.0%	-	9.8%	9.3%	9.0%
Line 1.3 – Global	5.5%	-	4.2%	4.0%	3.8%
<i>Subtotal</i>	15.5%	-	14.0%	13.3%	12.8%
Constant lines					
Line 1.4 – Evaluation	0.4%	2.5	-	0.3%	0.6%
Line 1.5 – Special resources for TCDC	0.7%	3.5	-	0.4%	0.8%
Line 1.6 – HDRO/ODS/Economists*	0.0%	10.9	-	1.3%	2.4%
<i>Subtotal</i>	1.1%	16.9	-	2.0%	3.8%
Subtotal inter-country	16.6%	16.9	14.0%	15.3%	16.6%
Total UNDP programmes and support to operational activities of the United Nations	100.0%	36.4	100.0%	100.0%	100.0%

* Currently financed from line 1.3 (HDRO/ODS) and savings under the 2002-2003 biennial support budget (Economist Programme).

Table 3. Programme financial framework under option 3

Financial framework				For information only	
	(a)	(b)	(c)	(d)	(e)
UNDP programme and support to operational activities of the United Nations	Current percentage of resources available for programming at \$1.1 billion	Fixed allocations (millions \$)	Proposed percentage of resources available for programming under variable lines	Percentage of resources available for programming at \$1.1 billion	Percentage of resources available for programming at \$700 million or lower
Country					
Variable lines					
Lines 1.1.1 and 1.1.2 – TRAC	70.6%	-	76.8%	73.5%	70.6%
Line 1.1.3 – TRAC	6.6%	-	7.2%	6.9%	6.6%
Line 2.2 – UNSAF	4.0%	-	4.4%	4.2%	4.0%
<i>Subtotal</i>	<i>81.2%</i>	<i>-</i>	<i>88.4%</i>	<i>84.6%</i>	<i>81.2%</i>
Constant lines					
Line 3.1.1 – DSS	0.4%	6.0	-	0.7%	1.3%
Line 3.1.2 – Programme support to the resident coordinator	1.8%	13.5	-	1.6%	3.0%
<i>Subtotal</i>	<i>2.2%</i>	<i>19.5</i>	<i>-</i>	<i>2.3%</i>	<i>4.3%</i>
Subtotal country	83.4%	19.5	88.4%	86.9%	85.5%
Inter-country					
Variable lines					
Line 1.2 – Regional	10.0%	-	7.5%	7.2%	6.9%
Line 1.3 – Global	5.5%	-	4.1%	3.9%	3.8%
<i>Subtotal</i>	<i>15.5%</i>	<i>-</i>	<i>11.6%</i>	<i>11.1%</i>	<i>10.7%</i>
Constant lines					
Line 1.4 – Evaluation	0.4%	2.5	-	0.3%	0.6%
Line 1.5 – Special resources for TCDC	0.7%	3.5	-	0.4%	0.8%
Line 1.6 – HDRO/ODS/Economists*	0.0%	10.9	-	1.3%	2.4%
<i>Subtotal</i>	<i>1.1%</i>	<i>16.9</i>	<i>-</i>	<i>2.0%</i>	<i>3.8%</i>
Subtotal inter-country	16.6%	16.9	11.6%	13.1%	14.5%
Total UNDP programmes and support to operational activities of the United Nations	100.0%	36.4	100.0%	100.0%	100.0%

* Currently financed from line 1.3 (HDRO/ODS) and savings under the 2002-2003 biennial support budget (Economist Programme).

Table 4. Programme financial framework under option 4

Financial framework			For information only		
	(a)	(b)	(c)	(d)	(e)
UNDP programme and support to operational activities of the United Nations	Current percentage of resources available for programming at \$1.1 billion	Fixed allocations (millions \$)	Proposed percentage of resources available for programming under variable lines	Percentage of resources available for programming at \$1.1 billion	Percentage of resources available for programming at \$700 million or lower
Country					
Variable lines					
Lines 1.1.1 and 1.1.2 – TRAC	70.6%	-	76.8%	73.5%	70.6%
Line 1.1.3 – TRAC	6.6%	-	7.2%	6.9%	6.6%
Line 2.2 – UNSAF	4.0%	-	0%	0%	0%
Subtotal	81.2%	-	84.0%	80.4%	77.2%
Constant lines					
Line 3.1.1 – DSS	0.4%	6.0	-	0.7%	1.3%
Line 3.1.2 – Programme support to the resident coordinator	1.8%	13.5	-	1.6%	3.0%
Subtotal	2.2%	19.5	-	2.3%	4.3%
Subtotal country	83.4%	19.5	84.0%	82.7%	81.5%
Inter-country					
Variable lines					
Line 1.2 – Regional	10.0%	-	10.3%	9.9%	9.5%
Line 1.3 – Global	5.5%	-	5.7%	5.4%	5.2%
Subtotal	15.5%	-	16.0%	15.3%	14.7%
Constant lines					
Line 1.4 – Evaluation	0.4%	2.5	-	0.3%	0.6%
Line 1.5 – Special resources for TCDC	0.7%	3.5	-	0.4%	0.8%
Line 1.6 – HDRO/ODS/Economists*	0.0%	10.9	-	1.3%	2.4%
Subtotal	1.1%	16.9	-	2.0%	3.8%
Subtotal inter-country	16.6%	16.9	16.0%	17.3%	18.5%
Total UNDP programmes and support to operational activities of the United Nations	100.0%	36.4	100.0%	100.0%	100.0%

* Currently financed from line 1.3 (HDRO/ODS) and savings under the 2002-2003 biennial support budget (Economist Programme).